

CONFIDENTIAL

OPERATIONS DIRECTORATE SUPPORT OFFICERS' MEETING

22 May 1974

25X1C

1. Training for [REDACTED] Assignments. We have been asked by Cover and Commercial Staff to remind you that all persons assigned overseas [REDACTED] must attend the OTR [REDACTED] orientation unless they have previously [REDACTED]. [REDACTED] have had the training. The next courses will be June 4-7 and July 16-19. CCS will monitor assignments to assure that the requirement is met.

2. Fair Labor Standards Act - Overtime. The new T&A cards designed by the Office of Finance appear to be working well, and those submitted have contained far fewer errors than had been anticipated. This overtime data will be compiled, but for some undetermined period of time employees will continue to be paid on the basis of current Agency procedures. It may take six to nine months for Finance to design a new computer program which will permit overtime to be computed on the basis of both the FLSA and current Agency procedures, with the employee being paid the larger entitlement. Once the system is designed, Finance will make retroactive payments to anyone whose FLSA entitlements would be higher than the amounts paid under current procedures.

In the meantime, the Office of Personnel is working with the Personnel Officers in the components in an effort to assign a designation - exempt or non-exempt - to each employee. They hope that the initial listing will be completed in about a week. Divisions will then know which employees must be paid overtime when they work.

At this stage we do not know whether or not Agency regulations will be amended. The FLSA does not repeal or replace the existing overtime policies of the Civil Service or of any department; it merely establishes minimum standards which become operative when they would result in payments higher than those authorized under the existing rules. Consequently, the studies being conducted by the Offices of Finance and Personnel are based on the assumption that the Agency procedures will continue as they are, that overtime will be computed under the two systems, and that the employee will receive the larger entitlement. In addition, however, the Office of General Counsel is completing a comprehensive review of our entire overtime system. This should be presented to management in the near future.

Since the new law does not apply to foreign areas, the primary impact will be at headquarters. In scheduling overtime, particularly Saturday or night duty, you should take into consideration the possible contingent liability for overtime payments. Under FLSA, GS-9's and below will probably be paid at the same overtime rates now being used, so there will be little, if any, change at that grade level. Similarly, GS-13's and above will probably fall into an exempt category under FLSA, so there will be no major change there. However, GS-10 and GS-11 employees who are now paid at time-and-a-half at the GS-10 rate will have to be paid at

CONFIDENTIAL

higher rates in the future, and some of the GS-12's who now donate the first eight hours each week may have to be paid for all overtime worked and at the full rate for their grade. It would thus appear that the major impact will come in the GS-10 - GS-12 level; and if you direct overtime at that grade level, you should be prepared to pay for it.

3. Estate Planning. It has recently come to our attention - but is evidently "old hat" to Benefits and Services Division - that the annuity a surviving spouse will receive upon the death of her/his retired sponsor will be considered as part of the dead sponsor's estate and taxed accordingly. IRS will estimate the remaining years of the surviving spouse and will multiply that figure by the amount of annual annuity. This figure is then added to the estate and taxed accordingly. This could be an important part of the estate planning of any employee.

4. Cost-of-Living Increase. The cost-of-living increase for annuitants is now firm at 6.4 percent, effective 30 June. A notice will be published at headquarters, and a book cable will be sent to the field.

5. DDM&S Travel. The ADDM&S is planning the foreign travel of the DDM&S, the ADDM&S, and the M&S Office Directors for the next year. The travel will be planned around the regional Support conferences, which will make it possible for the Office Directors to participate in those as well as visit the stations. Mr. Blee has emphasized the necessity for coordination with the Area Divisions, and we will be in touch with you concerning probable dates and conference arrangements.

6. Memorial Day. Memorial Day holiday on Monday will be treated as a Sunday insofar as staffing is concerned.

7. Representation Allowances. Within the next day or two, we will send to the Area Divisions a request that they provide us with representational requirements for FY 75. The divisional totals for FY 75 may not exceed the amounts for FY 74. However, adjustments between stations within the same division may be authorized whenever it is necessary. If any division feels it is absolutely essential that the division total be increased, a separate letter of justification should be forwarded with the request. Our memorandum will establish a due date of June 10 for submission of the information to us.